



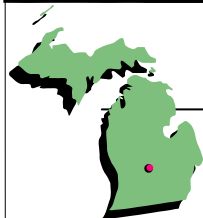
# *The Johnson Letter*

*From the desk of*  
Michigan State Senator

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## **Appropriations Update**

### **Senator Johnson Declares 2003-04 Budget Nearly Balanced Without Raising Taxes**

#### **End to Budget Battle Draws Near**

The Michigan Senate Republicans declared that completion of next year's \$38 billion budget was nearing its final stages, without raising the taxes of its citizens. The Senate proposal for a balanced budget utilizes a series of new revenue sources, some funding adjustments and a portion of the emergency budget aid recently signed into law by President Bush to close the \$731 million gap between Governor Granholm's proposed budget and the actual funding for the state. A surplus of \$171 million, primarily from federal aid, exists in the Senate proposal, all of which would be deposited in the Budget Stabilization Fund. "With the future of our economy uncertain, it is imperative that we do everything in our power to shore up future revenue shortfalls and maintain our bond rating." Senator Johnson further noted, "When you consider where we started with this budget, it is quite an accomplishment to say we have balanced the budget, held the line on taxes and managed to put some money away for a rainy day."

#### **Roadblocks to the Completion of the Budget**

While the budget is nearly finished, there are a few contentious issues that have not been resolved. The following is a brief description of the issues and the discrepancies that exist at the publication of this newsletter.

#### **Preserve First**

Earlier this year, the Michigan Department of Transportation (MDOT) Director Gloria Jeff, without input from the legislature, local communities, road builders or the general public, announced that the department would discontinue 34 road projects that had previously been authorized by the department and agreed upon by all the interested parties. Believing this decision to be near-sighted considering the immense traffic congestion, safety concerns and millions of taxpayer dollars already earmarked for these projects, Senator Johnson re-instated their funding and directed a continuation of these projects. Furthermore, four of the proposed projects in Oakland County would generate revenue greater than their cost and employ more people. The Governor indicated she would veto all 34 projects, but has since softened her stance. According to the Detroit Free Press following getting caught in the I-96/I-275/I-696 usual traffic jam, the Governor stated, "We didn't realize how bad the traffic was going the other way."

#### **The Merit Award Scholarship**

As reported previously in the Johnson Letter, Republicans in the Senate and the House are committed to funding the Merit Scholarship at its full \$2,500 per pupil value. Legislative Democrats have even proposed their own method of sustaining full funding for the program. The Governor, however, has proposed that the scholarship only be funded at \$500 per student, with the remainder of the funding going to shore up Medicaid. A recent influx of federal relief dollars, however, has arguably allowed for both. Discrepancies over the level of funding for this program could extend the budget process longer than anticipated as well.

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#### **Proud To Be American Plates Top \$1 Million**

#### **Protecting Michigan Waters**

#### **STOP Telemarketing**

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## **"Proud To Be American" Plates Raise Over \$1 Million for American Red Cross and Salvation Army**

State Senator Shirley Johnson announced this week that after a year and a half the "Proud To Be American" license plate campaign has topped a \$1 million. The Salvation Army and the American Red Cross have shared a total of \$1,062,465 of funds generated from sales the 36,631 specialty plates. It is estimated that by the end of June revenues will increase by another \$25,000. Senator Johnson, sponsor of the 'Proud To Be American' license plate legislation, applauded Michigan residents who were able to demonstrate their support for the Salvation Army and the American Red Cross.

"The unparalleled and memorable amount of aid raised for disaster relief has been unbelievable," stated Johnson (R-Royal Oak). "The large amount of funds produced from the specialty plates is just another indicator of Michigan's humanitarian efforts."

"Proud To Be American" plates can be purchased for an additional \$35 above the regular registration fee. The supplementary cost covers a \$10 plate printing and mailing fee, \$12.50 goes to each aid group and finally a \$10 renewal fee is portioned between the American Red Cross and Salvation Army. The Secretary of State's Office is taking orders for the license plate at all 176 branch offices. Orders can be made by mail or fax and they are available on the web at: [www.sos.state.mi.us](http://www.sos.state.mi.us)



## SENATORS FIGHT TO PROTECT MICHIGAN WATERS

This week the Senate Natural Resources and Environmental Affairs Committee passed legislation (SB 252) allowing for important new water quality fees for the National Pollutant Discharge Elimination System (NPDES), a federally required state water pollution control program. The Senate Environmental Quality Appropriations Subcommittee included in the Department of Environmental Quality's (DEQ) budget \$3.1 million in new revenue for the DEQ water quality division. While on the Senate floor, amendments were offered to increase the amount of fee revenue to add \$420,000 in supplementary funds dedicated towards the DEQ's water quality compliance program. In addition to the fee revenue, nearly \$2 million of added revenue was designated from the general fund in the DEQ budget. Businesses already contribute to the general fund through the payments under the Single Business Tax. The Senate made this commitment to more adequately fund the NPDES permit program as an obligation to provide the necessary funding to maintain and improve the state's water quality.

According to the 2002 DEQ annual report, it was announced that Michigan's water quality is better than it has been in several years in part due to the Legislature's work to preserve our natural resources.

## STOP TELEMARKETING

For years, consumers complained about the timing, nature, and/or number of telemarketing calls they received. The complaints initially led to regulations that limited the hours that telemarketers could call, with federal law providing 8 a.m. to 9 p.m. and state law, which controls, setting a 9 a.m. to 9 p.m. window. State law also restricted the use of recorded messages and placed the sales under the consumer protection statutes which, among other things, granted the consumer the right to cancel without penalty and prohibited the collection of any payment until the product or service had been delivered.

The telephone sales portion of Public Act 612 defines various "unfair" and/or "deceptive" practices as violations of the act, which is, basically, a restatement of the Home Solicitation Sales Act. The cited practices would include misrepresenting the product's price, quantity, limitations, or the consumer's right to

cancel. The solicitor cannot offer a prize for which the consumer must pay or, except in an emergency, request a cash or charge card payment from the consumer prior to the seller's receipt verification from the consumer, defined as a written contract between the seller and the consumer. Violations are a six-month and/or \$500 fine misdemeanor, with the "harmed consumer" entitled to bring suit for \$250 or actual damages plus attorney fees, whichever is greater. As with all sales made under the Home Solicitation Sales Act, only products having a total price of \$25 or more are covered by the statute.

The telephone solicitation portion of the act requires a telemarketer to identify him or herself, the entity for which he or she is calling, and a number that the consumer may call to reach the entity, where a person must be present to answer questions related to the entity, its product(s) and/or the telephone solicitation. This language also creates the "do-not-call" list, under the Michigan Public Service Commission's authority. Ninety days after the act takes effect, the MPSC must either create and maintain the state's list or contract the service out to a third party. The act also states that any federal list will automatically become the state list.

Consumers, who may be charged no more than \$5 for a three-year registration, will be able to register their home phones with a single action. If operated by the state, both consumers and telemarketers could be charged for the service, while the act stipulates that if operated by a third party the operator may charge the \$5 consumer fee or a telemarketer fee, but not both. Ninety days after the list begins, telemarketers would have to comply with the provisions of the do-not-call list by not calling the list's indicated numbers.

The act provides exemptions to specific entities or organizations under the telephone solicitation provisions. Blanket exemptions are granted to charitable, public service, and political organizations. A business may call a consumer with whom they already have a business relationship with activity during the prior 12 months or the consumer asked for the call. A business may call a listed consumer as long as the call itself does not conclude in the actual sale of a product. Thus, entities such as realty or insurance firms that have and retain a blanket exemption under the written and face-to-face portions of the act must comply with the do-not-call provisions and the new exemptions. Finally, stock brokers, who conduct a major portion of their daily business by telephone, are exempt from the three-day cancellation provision to ensure at-the-moment stock transactions are valid.

## CURBING THE SPAM CRISIS

While the benefits of the Internet are undeniable, the annoying and often inappropriate unsolicited, bulk and commercial e-mail or better know as "spam" can be a deterrent for individuals, especially children from checking their e-mail or searching the Internet. While the state Legislature can not eliminate all spam, they have taken steps to create a Do-Not-Spam list and establish stiff penalties for violations of bulk e-mail. Senate Bill 357 has passed the Senate and is before the House Committee on Energy and Technology.

Senator Johnson as a co-sponsor of the measure praised her colleagues for their support and efforts to protect individuals privacy. "I can not tell you how many times parents have forwarded me some of the e-mails they or their children have received," she said. "It has to stop." Consumers will be able to register on a Do-Not-Spam list. The list would not be subject to FOIA for purposes of maintaining consumers privacy.

### Questions or Comments?

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Please Note: The Johnson Letter is now exclusively sent over e-mail once a month, for all interested readers, by the Office of State Senator Shirley Johnson. To be removed or added permanently to our mailing list, please contact our office.